

Southeast Iowa Regional Planning Commission

**Independent Auditor's Reports
Financial Statements
Supplemental Information
Schedule of Findings & Questioned Costs**

Year Ending June 30, 2009

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SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
BOARD OF DIRECTORS AND OFFICERS

<u>Name</u>	<u>Title</u>	<u>Representing</u>
<u>Executive Board of Directors</u>		
Brent Schleisman	Chairperson	City of Mount Pleasant
Sue Frice	Vice Chairperson	Workforce Development
Jim Howell	Secretary	Private Sector
Hans Trousil	Treasurer	City of West Burlington
Gary Folluo	Board Member	Member At-Large
<u>Full Board Members</u>		
Des Moines County:		
Robert Beck	Board Member	
Kent Gaudian	Board Member	Private Sector
Tim Scott	Board Member	City of Burlington
Henry County:		
Mark Hempen	Board Member	City of New London
Klay Edwards	Board Member	Private Sector
Kent White	Board Member	
Lee County:		
Steve Ireland	Board Member	City of Fort Madison
Michael O'Connor	Board Member	City of Keokuk
Steve Bisenius	Board Member	Private Sector
Louisa County:		
Mark Huston	Board Member	City of Columbus Junction
Randy Tillman	Board Member	City of Wapello
Paula Buckman	Board Member	
Others:		
David File	Board Member	Iowa Wesleyan College
Dr. Beverly Simone	Board Member	Southeastern Community College

Southeast Iowa Regional Planning Commission Officers

Brian Tapp	Executive Director
Mike Norris	Assistant Director
Kim Schisel	Finance Director

John D. Morrow

Certified Public Accountant

**Member
Iowa
Society**

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109 Main Street
Wall Lake, Iowa 51466-0400**

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Ames, Iowa 50014** Phone: (712) 664-2891
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Certified Public Accountants

February 5, 2010

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southeast Iowa Regional Planning Commission
Burlington, Iowa

I have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of Southeast Iowa Regional Planning Commission (SEIRPC), Burlington, Ia, as of and for the year ending June 30, 2009. This financial statement is the responsibility of SEIRPC's management. My responsibility is to express an opinion on this financial statement based on my audit.

I conducted the audit in accordance with U. S. generally accepted auditing standards, standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the Single Audit Act Office of Management and Budget (OMB) A-133 , and Chapter 11 of the Code of Iowa. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeast Iowa Regional Planning Commission as of and for the year ending June 30, 2009, and changes in net assets, and cash flow in conformity with U. S generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my reports dated February 5, 2010, on my consideration of Southeast Iowa Regional Planning Commission's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information included in Schedules 1 and 2, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the aforementioned financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statement taken as a whole.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

As management of Southeast Iowa Regional Planning Commission, we offer the readers of Southeast Iowa Regional Planning Commission's financial statements this narrative overview and analysis of the financial activities of the commission for the fiscal year ended June 30, 2009. This report is intended to serve as an introduction to Southeast Iowa Regional Planning Commission's basic financial statements.

Financial Highlights

- The assets of the Commission exceeded its liabilities as of June 30, 2009 by \$3,147,313 (net assets). Of this amount, \$477,926 represents amounts invested in transit vehicles, net of related debt and \$687,241 is reserved for loans. This results in net unrestricted assets of \$1,982,146 to be used to meet the Commission's ongoing obligations.
- The Commission's total net assets increased by \$517,806 over the prior year. This increase represents increases in ongoing revenues exceeding similar increases in ongoing expenses.
- Revenues were \$7,672,905 which is \$569,874 more than expenses. The total cost of programs raised \$4,938,963.
- The Commission incurred an additional \$22,120 in debt to be used as the local match for two transit vehicles.

Overview of the Financial Statements

The Commission's basic financial statements are comprised of 1) financial statements and 2) notes to the financial statements. In addition, other supplementary information to the basic financial statements is provided.

The financial statements include a *Statement of Net Assets*, a *Statement of Revenues and Expenses*, *Statement of Change in Net Assets*, and a *Statement of Cash Flows*. These statements present information of the Commission's finances in a manner similar to governmental activities. The activities are consolidated and present the operations as a whole.

The *Statement of Net Assets* presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in the Commission's net assets are an indicator of whether its financial position is improving or declining, respectively.

The *Statement of Revenues and Expenses* presents information showing how the commission's net assets changed during the year. This statement reports the cost of activities and how those costs were recovered for the fiscal year.

The *Statement of Cash Flows* presents information on the cash flow of the Commission during the fiscal year. This information can assist the user of the report in determining how the Commission financed its activities and how it met its cash requirements.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the financial statements. The notes to the financial statements are found on pages 12-21. The additional supplemental information is found on pages 22-31.

Financial Analysis of the Commission's Net Assets

Table I below, provides a summary of the Commission's net assets for the year ended June 30, 2009 compared to 2008.

Table 1 Net Assets		
	2009	2008
Current and other assets	3,754,438	3,281,161
Capital assets		
Total assets	4,284,818	3,731,469
Long-term liabilities outstanding	898,532	1,101,962
Other liabilities	238,973	241,332
Total liabilities	1,137,505	1,343,294
Net assets:		
Investment in transit vehicles		
Reserve for loans	477,926	402,843
Unrestricted	687,241	814,392
Total net assets	1,982,146	1,412,272
	3,147,313	2,629,507

As noted earlier, net assets may serve over time as a useful indicator of the Commission's financial position. In the case of the Commission, assets exceeded liabilities by \$3,147,313 at the close of the most recent fiscal year.

By far the largest portion of the Commission's net assets \$1,565,738 reflects its investments in loans receivable for the revolving loan fund pools. Total assets increased \$553,349 including an increase in capital assets, net of accumulated depreciation of \$80,072.

The Commission records assets using historical cost. If actual cost is not known, an estimated historical cost will be used.

Change in Net Assets from Operating Results	
	2009
Revenues:	
Federal awards	898,138
State and local contract awards	5,933,364
General public & per capita	183,306
Loan repayments	397,812
Interest from loans	87,332
Interest from investments	16,409
Other revenues	42,287
Matching funds	114,257
Total Revenues	
	7,672,905
Expenses:	
Community planning & admin. programs	505,281
Local housing programs	1,804,118
Revolving loan funds	405,295
Economic development planning grant	119,507
EDA Flood Recovery	93,406
Jumpstart flood recovery	2,613,940
Regional intermodal planning	189,434
Region 16 public transit:	
Operating	999,978
Capital	149,718
Self Help	108,793
Brownfield grant	113,561
Total Expenses	7,103,031
Net Revenue over (under) expenses	
	569,874

The commission's total revenues increased 207% to \$5,174,686. State and local contract revenues increased \$5,245,190 reflecting additional services provided to the local communities.

The total cost of all programs and services rose to \$4,938,963. The Commission's expenses are predominantly related to providing services such as flood assistance, planning, development, grantmanship, or technical assistance to the Commission's members.

Capital Assets

By the end of the 2009 fiscal year, the Commission had invested \$477,926 in capital assets, net of accumulated depreciation of \$232,031. Total depreciation expense for the year was \$93,326. The Commission made the following additions to its capital assets recorded at actual cost: transit vehicles \$149,719 and One Roof Software \$18,690. The Commission disposed of transit vehicles \$42,430.

Long-term Debt

At the end of the current fiscal year, the Commission had total debt outstanding of \$959,947 which is a 15% reduction from the prior year. The debt consists of loans payable to the US Department of Agriculture for funds drawn to be used in the Intermediary Relending Programs, a loan from the Iowa Finance Authority (IFA) to administer a Single Family Home Rehabilitation Revolving Loan Program, loans from the Iowa Department of Transportation for the purchase of Regional Transit vehicles, and loans from Two Rivers Bank and Trust for the purchase of company vehicles and a copier. Additional information about the Commission's long term debt is presented in the financial statement footnote 9.

Economic Factors on the Commission's Future

At the time these financial statements were prepared and audited, the Commission was aware of several key factors that may potentially impact the Commission's future funding levels.

- Local, State and Federal economic conditions are key sources of funding for SEIRPC and monitoring the status of all state and federal programs will be prudent for SEIRPC and its future success
- Per Capita fees are frozen for FY 2011 based on the economic conditions regionally and are used as matching funds for EDA and IDOT programs
- Health Insurance costs continue to rise with our current rates projected to increase 29% for FY 2011 which is estimated at a \$48,000
- SEIRPC is purchasing a new facility which will provide the necessary staff space and long term opportunities for service delivery
- Flood recovery will also be winding down during FY2010 and staffing levels will adjust accordingly based on the flood contracts throughout the region

Contacting the Agency's Financial Management

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Southeast Iowa Regional Planning Commission, 200 Front Street, Suite 400, Burlington, Iowa 52601.

FINANCIAL STATEMENTS

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF NET ASSETS
Year Ending June 30, 2009

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,778,282
Cash restricted	50,489
Accounts receivable & program reimbursements	344,305
Prepaid expenses	<u>15,624</u>
Total Current Assets	<u>2,188,700</u>

PROPERTY AND EQUIPMENT:

Agency:	
Equipment	50,612
Vehicles	66,056
Less: accumulated depreciation	(<u>64,214</u>)
	<u>52,454</u>
Program:	
Equipment	18,690
Vehicles	691,267
Less: accumulated depreciation	(<u>232,031</u>)
	<u>477,926</u>
Total Vehicles and Equipment	<u>530,380</u>

OTHER ASSETS

Housing program loans	79,461
Business enterprise loans	<u>1,486,277</u>

Total Assets \$ 4,284,818

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES

Accounts payable	\$ 96,252
Current portion of long-term debt	61,415
Accrued payroll, benefits, and annual leave	<u>81,306</u>
Total current liabilities	238,973

LONG TERM LIABILITIES

Note payable - vehicles & equipment	42,574
Note payable - Amoco loan	38,876
Note payable - HOME loans	18,195
Note payable - IRP loans	860,302
Less: Current Portion	(<u>61,415</u>)
	<u>898,532</u>
Total Liabilities	1,137,505

NET ASSETS

Unrestricted Net Assets	
Unreserved net assets	1,982,146
Investment in program & transit property	477,926
Reserve for loans	687,241
Temporarily Restricted Net Assets	0
Permanently Restricted Net Assets	<u>0</u>
Total Net Assets	<u>3,147,313</u>

Total Liabilities & Net Assets \$ 4,284,818

See accompanying Notes to Financial Statements.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Year Ending June 30, 2009

Revenues:

Federal awards	898,138
State and local contract awards	5,933,364
General public & per capita	183,306
Loan repayments	397,812
Interest from loans	87,332
Interest from investments	16,409
Other revenues	42,287
Matching funds	<u>114,257</u>

Total Revenue	<u>7,672,905</u>
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Program Expenses:

Community planning admin. programs	505,281
Local housing programs	1,804,118
Revolving loan funds	405,295
Economic development planning grant	119,507
EDA flood recovery	93,406
Jumpstart flood recovery	2,613,940
Regional intermodal planning	189,434
Region 16 public transit:	
Operating	999,978
Capital	149,718
Self Help	108,793
Brownfield grant	<u>113,561</u>

Total Expenses	<u>7,103,031</u>
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Net revenue over (under) expenses	<u><u>569,874</u></u>
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See accompanying Notes to Financial Statements.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF CHANGES IN NET ASSETS
Year Ended June 30, 2009

Net Assets-beginning of year	\$ 2,629,507
Revenue over (under) expenses	569,874
Increase in program property & equipment value	75,083
Decrease in housing & business enterprise loans receivable	(91,161)
Increase in housing & IRP loans payable	(<u>35,990</u>)
Net Assets - end of year	\$ <u><u>3,147,313</u></u>

See accompanying Notes to Financial Statements.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF CASH FLOWS
Year Ended June 30, 2009

Resources Provided (Used) By:	
Cash Flow from Operating Activities:	
Revenue over expenses	\$ 569,874
Items not requiring outlays of cash:	
Depreciation	28,094
Change in Operating Assets & Liabilities:	
Increase in accounts receivable	(75,349)
Increase in prepaid expenses	(7,925)
Decrease in accounts payable	(10,524)
Increase in payroll, annual leave, and benefits	24,795
Decrease in deferred revenue	(4,780)
	<u>524,185</u>
Cash Flow From Investing Activities:	
Purchase of agency property and equipment	(33,084)
IRP Grant proceeds used for relending	(58,000)
	<u>(91,084)</u>
Cash Flow From Financing Activities:	
Borrowing - long term notes	108,204
Payments - short term notes	(30,000)
Payments - long term notes	(30,141)
	<u>48,063</u>
Net Increase in Cash	481,164
Cash, Beginning of Year	<u>1,297,118</u>
Cash, End of Year	\$ <u><u>1,778,282</u></u>

See accompanying Notes to Financial Statements.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

Note 1 Nature of Activities and Significant Accounting Policies

A. Nature of Activities

In 1973, Southeast Iowa Regional Planning Commission (SEIRPC) entered into a 28E agreement to service the Iowa counties of Des Moines, Henry, Lee and Louisa and local governments (cities and school districts) within the four county region.

The purposes for which SEIRPC was organized are to provide joint services and facilities with other agencies to promote and assist the economic development of business concerns through growth and development, and aid in development opportunities to the region, thereby increasing employment, business volume, and business payrolls. To accomplish these purposes, SEIRPC has all the powers enumerated in Chapter 504 of the Code of Iowa. These powers are limited to the definitions and purposes encompassed by Section 501(c)(1), of the Internal Revenue Code. In addition, SEIRPC has the power and duty to make comprehensive studies and plans for the development of the area it serves, to eliminate planning duplication, to promote governmental economy and efficiency, and to otherwise guide the unified development of the area.

Southeast Iowa Regional Planning Commission (SEIRPC) owns and operates the Region 16 Public Transit System (SEIBUS). This public transit system provides transit services to senior citizens, persons with disabilities, preschool and school aged students, and the general public. Region 16 Public Transit System (SEIBUS) operates in Des Moines, Henry, Lee, and Louisa counties and is recognized by the Department of Transportation as the regional transit organization. The mission of Region 16 Public Transit System (SEIBUS) is to provide safe, dependable, and efficient public transit services for all citizens within its service area in a manner which will help them maintain and improve their quality of life. Transportation planning staff are active in programming federal dollars available to the Commission, developing projects utilizing state and federal dollars, preparing transportation planning document, Geographic Information Systems mapping and analysis, travel demand modeling, grant applications to federal and state governments, and regional cooperation related to transportation issues and transit planning.

Southeast Iowa Regional Planning Commission (SEIRPC) serves as the Regional Planning Affiliation (RPA) for the counties of Des Moines, Henry, Lee, and Louisa. As the RPA, SEIRPC prepares all planning documents pursuant to transportation planning in the region, including the programming of regional federal funds for transportation. SEIRPC is advised by a Transportation Advisory Committee on all planning documents. Final decisions on these documents are made by the Board of Directors of Southeast Iowa Regional Planning Commission. The Planning and Zoning Department provides a number of services relating to land use and development to various clients within the region. Specifically, actual on-site land use administration, technical assistance with zoning and subdivision issues, revision and development of comprehensive plans, urban renewal plan formulation, annexations, ordinance codification

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2009

Note 1 Nature of Activities and Significant Accounting Policies (continued)

A. Nature of Activities

updates and capital improvement budgeting are all provided under individual contracts with cities and/or counties within the four-county area.

Southeast Iowa Regional Planning Commission administers grants received by clients from different funding sources. The staff works one-on-one with the agency officials and city or county officials to insure that all of the grantor agency requirements are met, and retains records related to the grant administration activities.

Southeast Iowa Regional Planning Commission assists the communities and counties in identifying housing needs. Once needs are identified, the organization will work with the necessary partners to achieve those goals. Examples of programs include various housing rehabilitation programs, down payment assistance, rental projects, new construction, development of lots for sale, and lead base paint & inspection services.

The organization is dependent on continued funding by Federal, State and local governmental bodies to provide the programs necessary to support the services and objectives set out above.

B. Significant Accounting Policies

Program Fund Accounting - To ensure observance of limitations and restrictions placed on the use of resources available to Southeast Iowa Regional Planning Commission, the accounts of the organization are maintained in accordance with the principles of accounting for program grants, activities, and functions. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each program, grant, activity, or function; however, in the accompanying financial statements, programs that have similar characteristics have been combined into program groups. Accordingly, all financial transactions have been recorded and reported by group.

Basis of Accounting - Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Grant or contract revenue is recognized when earned. The program agreements, grants, and contracts are written on an expense reimbursement basis and accordingly, grant or contract revenue is earned when allowable program expenses are incurred. The financial statements present any funds received and not expended as net assets. Expenses are recorded when the liability is incurred. Disbursements for the purchase of vehicles and equipment in the Region 16 Public Transit Program, which provide future benefits, are recorded as expenses in the program at the time of purchase and capitalized and presented in the Statement of Net Assets. Disbursements for the purchase of vehicles and equipment in the local administrative program are capitalized and depreciated over the assets useful lives. For these capital assets, depreciation is recovered through program reimbursements or in the indirect cost rate.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2009

Note 1 Nature of Activities and Significant Accounting Policies (continued)

B. Significant Accounting Policies (continued)

Basis of Presentation - Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the SEIRPC and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Assets, Liabilities and Net Assets - The following accounting policies are followed in preparing the statement of financial position.

Cash and Cash Equivalents - Cash includes amounts in demand deposits, savings accounts, and money market funds.

Accounts Receivable and Program Reimbursements - Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenses as of the beginning and end of the year. Program funds, accounts receivable, and reimbursements include amounts due to SEIRPC but not received at year end.

Allowance for Doubtful Accounts - The direct write-off method is used to account for uncollectible housing and business loans. There is no provision for bad debts since management considers all receivables are to be collectible.

Vehicles, and Equipment - Vehicles and equipment are valued at historical cost. Vehicles and equipment in the Region 16 Public Transit Program are recorded as expenses. The purchases are then capitalized accumulating the net investment in vehicles and equipment. Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets, generally 5 to 10 years for vehicles and equipment. Disbursements for the purchase of vehicles and equipment in the local administrative program are capitalized and depreciated over the assets useful lives. Depreciation is recovered through program reimbursements or in the indirect cost rate. The depreciated cost of the vehicles and equipment does not purport to be either a realizable value or a replacement value. Expenses for maintenance, repairs, and minor replacements are charged to the current year, while the cost for major replacements and betterments are capitalized. The cost of assets disposed is deleted.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2009

Note 1. Nature of Activities and Significant Accounting Policies (continued)

B. Significant Accounting Policies (continued)

Paid Time off (PTO) - Employees of SEIRPC accumulate a limited amount of earned but unused annual PTO leave payable to employees. Annual PTO accruals are based on the number of hours worked by eligible employees and the length of service. Upon separation of employment, accrued unused PTO will be paid out to the employee. Amounts representing the cost of annual PTO leave expected to be liquidated currently are recorded as liabilities computed based on current rates of pay.

Deferred Revenue - Deferred revenue represents cash advances by the funding source at year end.

Indirect Cost Allocation - Southeast Iowa Regional Planning Commission has adopted a cost allocation rate to allocate joint costs to the various programs. SEIRPC has established an indirect cost rate for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR 225 (OMB Circular A-87) applies. SEIRPC has requested approval and received a final indirect cost rate of 34.25% for fiscal year 7/1/07 to 6/30/08, and a provisional indirect cost rate of 25.60% for a fiscal year 7/1/08 to 6/30/09. Indirect cost allocations are based on total direct salaries & wages including fringe benefits. Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs. PTO, long-term illness, and other paid absences are included in salaries and wages and are claimed on grants, contracts, and other agreements as part of the normal cost for the salaries and wages.

Budgetary Accounting - SEIRPC is not required by statute to use budgetary accounting. Therefore, no budgetary information is included in these financial statements.

Income Taxes - Southeast Iowa Regional Planning Commission is exempt from Federal income taxes under provisions of Internal Revenue Code Section 501(c)(1).

Use of Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from amounts estimated. These estimates involve useful lives for depreciation of assets, allowance for doubtful accounts, loss contingencies, and other estimating techniques as may be required to record effects of future events.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2009

Note 2 Leases

Southeast Iowa Regional Planning Commission sub-leases office facilities from the City of Burlington under a lease agreement which began July 1, 2006, and expires June 30, 2009. Rent paid for the year ended June 30, 2009 was \$14,700.

The Commission has entered into an operating lease to rent Regional Transit Authority vehicle storage space in Burlington, Iowa on a month to month basis. Rent paid for the year ended June 30, 2009 was \$5,019.

SEIRPC may be obligated under other lease agreements accounted for as operating leases for equipment. In the event insufficient program funding occurs, these leases may be prematurely terminated with appropriate notice.

Note 3 Pension and Retirement Benefits

The Southeast Iowa Regional Planning Commission contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117

Plan members are required to contribute 4.10% of their annual covered salary and the Southeast Iowa Regional Planning Commission is required to contribute 6.35% of annual covered payroll. Contribution requirements are established by State statute. Southeast Iowa Regional Planning Commission's contribution to IPERS for the year ended June 30, 2009 was \$69,731, equal to the employer required contributions for the year.

Note 4 Contingent Liability - Long-term Illness Leave

Southeast Iowa Regional Planning Commission's full time employees accumulate long-term illness leave hours for subsequent use. No compensation is made for accrued long-term illness leave at time of separation and these accumulations are not recognized as expenses until used.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2009

Note 5 Organization Risk Management

Southeast Iowa Regional Planning Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Southeast Iowa Regional Planning Commission assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 6 Total Deposit Accounts And Insured Depository Limits

Southeast Iowa Regional Planning Commission maintains checking, savings, and money market accounts in various financial institutions. These financial institutions classify these deposits as public funds and are subject to the guidelines referred to in Chapter 12C of the Code of Iowa.

As of the fiscal year end, the following financial institutions held public funds totaling:

	<u>June 30, 2009</u>
Two Rivers Bank & Trust	\$ 1,982,335
First Federal Savings Bank of Iowa	4,295
KSB Bank	84,549

Note 7 Vehicles, and Equipment

A summary of vehicles, equipment, and the components of accumulated depreciation, are as follows:

	CAPITAL EXPENDITURE PROPERTY			DEPRECIATION REIMBURSEMENT PROPERTY		
	Transit	Program		Local Programs		
<u>Vehicles & Equipment</u>	<u>Vehicles</u>	<u>Equip.</u>	<u>Total</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Beginning of year	\$ 583,978	\$ 0	\$ 583,978	\$ 32,972	\$ 64,789	\$ 97,761
Additions	149,719	18,690	168,409	33,084	0	33,084
Disposals	<u>42,430</u>	<u>0</u>	<u>42,430</u>	<u>0</u>	<u>14,177</u>	<u>14,177</u>
End of year	<u>691,267</u>	<u>18,690</u>	<u>878,366</u>	<u>66,056</u>	<u>50,612</u>	<u>116,668</u>
<u>Accumulated Depr.</u>						
Beginning of year	181,135	0	181,135	4,905	45,391	50,296
Current deprec.	93,170	156	93,326	21,151	6,943	28,094
Disposal of assets	<u>42,430</u>	<u>0</u>	<u>42,430</u>	<u>0</u>	<u>14,176</u>	<u>0</u>
End of year	<u>231,875</u>	<u>156</u>	<u>232,031</u>	<u>26,056</u>	<u>38,158</u>	<u>64,214</u>
Net	\$ <u>459,392</u>	\$ <u>18,534</u>	\$ <u>477,926</u>	\$ <u>40,000</u>	\$ <u>12,454</u>	\$ <u>52,454</u>

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2009

Note 8 Housing and Business Enterprise Loans Receivable

SEIRPC accounts for grant proceeds as revenue. Principal and interest payments received are accounted for as program revenues when received. Loans and grants paid to families are treated as expenses at the time the loan is made to accommodate the required reporting format on quarterly reports.

Southeast Iowa Regional Planning Commission administers Community Development Block Grants Revolving loans (CDBG Loans) for various cities within the region. The loans are for down payment assistance or for a portion of the cost of housing rehabilitation.

Southeast Iowa Regional Planning Commission received a loan from the US Department of Agriculture Intermediary Relending Program (IRP Loans). The loan proceeds plus local match are to be used for business enterprise loans.

Southeast Iowa Regional Planning Commission received a Department of Commerce Loan Program (EDA Loans) and the grant proceeds are used for business enterprise loans.

The balance of all loans is reflected as other assets on the combined statement of net assets. A summary of activity is as follows:

<u>Fiscal Year June 30, 2009</u>				
	<u>Beginning Balance</u>	<u>Payments Received</u>	<u>New Loans</u>	<u>Ending Balance</u>
CDBG/Home	\$ 87,049	\$ 17,238	\$ 9,650	\$ 79,461
Business Enterprise	166,318	44,098	72,000	194,220
IRP Loans	774,046	182,097	0	591,949
EDA Loans	<u>629,486</u>	<u>154,378</u>	<u>225,000</u>	<u>700,108</u>
Total	\$ <u>1,656,899</u>	\$ <u>397,811</u>	\$ <u>306,650</u>	\$ <u>1,565,738</u>

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2009

Note 9 Long Term Notes Payable

The long term notes payable and classification are as follows:

June 30, 2009

Southeast Iowa Regional Planning Commission, has entered into a loan agreement with the United States Department of Agriculture, Intermediary Re-lending Program. The loan agreement, dated July 9, 2003, is for the sum of \$600,000, interest at a fixed rate of 1% per annum, for a term of 30 years. The repayment shall be made in 27 equal installments of \$25,470 including principle and interest beginning July 9, 2007. The loan agreement requires a restricted cash account to be maintained at 6% of the balance outstanding.

\$ 560,862

Southeast Iowa Regional Planning Commission, has entered into a loan agreement with the United States Department of Agriculture, Intermediary Re-lending Program. The loan agreement, dated August 1, 2006, is for the sum of \$600,000, interest at a fixed rate of 1% per annum, for a term of 30 years. No repayment schedule is required as of June 30, 2009.

299,439

Southeast Iowa Regional Planning Commission entered into an agreement with the Iowa Finance Authority (IFA). The loan agreement dated March 1, 2006 is for a total of \$200,000 and bears interest at 3% per year. The loan agreement calls for the payment of interest only for the first 2 years and then principal and interest payable in 10 equal annual installments beginning on April 1, 2009.

18,195

Southeast Iowa Regional Planning Commission has entered into three installment loan agreements with a financial institution to purchase a vehicles.

(1) An installment agreement, dated February 1, 2008, is for the sum of \$13,986.00, interest at a fixed rate of 6.99%, for a term of 35 months. The repayment shall be made in 35 equal installments of \$433.54, including principle and interest, beginning March 15, 2008.

8,146

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2009

Note 9 Long Term Notes Payable (continued)

(2) An installment agreement dated February 7, 2008, is for the sum of \$13,986.00, interest at a fixed rate of 6.99% for a term of 35 months. The repayment shall be made in 35 equal installments of \$433.04, including principle and interest, beginning March 15, 2008. 8,155

(3) An installment agreement dated October 1, 2008, is for the sum of \$28,084.00, interest at a fixed rate of 6.625% for a term of months. The repayment shall be made in equal installments of \$860.92, including principle and interest, beginning October 15, 2008. 21,518

Southeast Iowa Regional Planning Commission has entered into an installment loan agreement with a financial institution to purchase a copier. The installment agreement, dated October 16, 2007, is for the sum of \$10,000.00, interest at a fixed rate of 8.25%, for term of 35 months. The repayment shall be made in 35 equal installments of \$315.11, including principle and interest, beginning November 16, 2007. 4,755

Southeast Iowa Regional Planning Commission, has entered into three Amoco Loan Agreements with the Iowa Department of Transportation. (1)A capital loan, dated November 26, 2007, is for the sum of \$21,266, no interest, payable in equal installments of \$5,317 for a term of 4 years beginning December 31, 2007. 10,634

(2)A capital loan, dated March 4, 2005, is for the sum of \$18,366, no interest, payable in equal installments of \$6,122 for a term of 4 years beginning December 31, 2006. 6,122

(3)A capital loan, dated August 1, 2008, is for the sum of \$22,120, no interest, payable in equal installments of \$5,530 for a term of 4 years, beginning December 31, 2009. 22,120

Total Notes Payable	959,946
Current Portion of Long Term Debt	(<u>61,415</u>)

Long Term Portion	\$ <u><u>898,531</u></u>
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SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2009

Note 9 Long Term Notes Payable (continued)

Maturities of notes payable over the next five years are as follows:		
June 30, 2010		61,415
June 30, 2011		50,403
June 30, 2012		50,915
June 30, 2013		48,189
June 30, 2014		43,136
Thereafter		<u>705,888</u>
Total	\$	<u><u>959,946</u></u>

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SUPPLEMENTAL INFORMATION

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
SCHEDULE OF PROGRAM FUNDS
Year Ended June 30, 2009

	Indirect <u>Costs</u>	Community Planning & Admin. <u>Programs</u>	Local Housing <u>Programs</u>	Revolving Loan <u>Funds</u>	Economic Development <u>Planning</u>
Revenues:					
Federal awards	\$ 0	\$ 5,550	\$ 0	\$ 58,000	\$ 51,000
State and local contract awards	0	585,154	1,843,741	50,000	2,550
General public & per capita	0	73,529	0	0	0
Loan repayments	0	0	0	397,812	0
Interest from loans	0	0	0	87,332	0
Interest from investments	0	4,530	0	11,822	0
Other revenues	0	36,599	0	4,725	0
Matching funds & reimbursements	0	0	0	0	65,957
Total Revenues	<u>0</u>	<u>705,362</u>	<u>1,843,741</u>	<u>609,691</u>	<u>119,507</u>
Expenses:					
Salary & wages	117,523	199,457	51,404	37,665	74,588
Payroll tax expense	8,542	14,880	3,486	2,735	5,597
Pension expense	7,478	12,631	3,678	2,397	4,750
Employee benefits	19,878	19,883	3,390	6,005	4,386
Accounting & legal	15,977	3,909	2,753	200	0
Advertising & marketing	1,301	2,349	234	1,550	0
Contractual expenses	8,998	16,783	1,671,005	104	0
Copier expense	9,915	0	0	0	0
Dues & subscriptions	6,848	723	830	10	0
Information technology	11,148	0	17,100	0	0
Office expense	2,133	25,993	4,337	2,030	5,127
Inspection & testing expense	0	0	4,170	0	0
Insurance	23,985	1,246	0	0	0
Meetings	4,033	1,080	0	74	65
Printing & postage	5,832	1,726	137	42	140
Participant loans & grants	0	0	0	309,810	0
Repairs & maintenance	8	1,270	0	0	0
Rent	14,798	0	0	0	0
Supplies	22,236	6,599	749	244	0
Vehicle expenses	1,101	6,419	314	121	926
Telephone	9,407	1,646	732	0	0
Travel & training	2,021	8,212	5,259	4,359	1,078
Interest	0	3,302	0	3,479	0
Loan payments	0	0	0	22,011	0
Capital expenditures	0	5,000	18,690	0	0
Matching expense	0	88,217	0	0	0
Depreciation	6,943	21,151	0	0	0
Indirect cost allocation	(300,105)	62,805	15,850	12,459	22,850
Total Expenses	<u>0</u>	<u>505,281</u>	<u>1,804,118</u>	<u>405,295</u>	<u>119,507</u>
Change in Net Assets	0	200,081	39,623	204,396	0
Beginning-Unreserved Net Assets	<u>0</u>	<u>82,098</u>	<u>42,484</u>	<u>1,166,013</u>	<u>0</u>
Ending-Unreserved Net Assets	\$ <u>0</u>	\$ <u>282,179</u>	\$ <u>82,107</u>	\$ <u>1,370,409</u>	\$ <u>0</u>

Schedule 1

EDA Flood Recovery	Jumpstart Flood Recovery	Regional Intermodal Planning	(SEIBUS) Region 16 Public Transit		Self Help	Brownfield Grant
			Operating	Capital		
\$102,617	\$ 0	\$ 149,731	\$ 188,814	\$ 123,678	\$ 105,766	\$ 112,982
0	2,613,940	18,000	817,509	0	2,470	0
0	0	0	109,777	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	57	0	0	0
0	0	0	963	0	0	0
0	0	21,703	0	26,040	557	0
<u>102,617</u>	<u>2,613,940</u>	<u>189,434</u>	<u>1,117,120</u>	<u>149,718</u>	<u>108,793</u>	<u>112,982</u>
55,299	0	113,630	358,597	0	68,077	1,910
3,992	0	8,537	36,838	0	5,047	146
3,526	0	7,196	22,518	0	4,329	108
8,243	0	8,504	28,164	0	5,867	0
0	0	0	23,032	0	0	0
0	0	43	4,176	0	558	0
0	2,613,940	0	9,741	0	0	110,800
0	0	0	0	0	0	0
0	0	3,126	2,057	0	0	0
0	0	0	0	0	0	0
2,697	0	5,718	4,297	0	841	43
0	0	0	2,023	0	0	0
0	0	0	59,100	0	0	0
0	0	963	193	0	0	0
0	0	320	247	0	169	0
0	0	0	0	0	0	0
0	0	0	157,688	0	0	0
0	0	0	5,019	0	0	0
1,312	0	2,485	660	0	1,547	0
0	0	1,122	136,119	0	366	0
0	0	1,156	7,859	0	644	0
158	0	1,662	4,489	0	33	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	149,718	0	0
0	0	0	26,040	0	0	0
0	0	0	0	0	0	0
<u>18,179</u>	<u>0</u>	<u>34,972</u>	<u>111,121</u>	<u>0</u>	<u>21,315</u>	<u>554</u>
<u>93,406</u>	<u>2,613,940</u>	<u>189,434</u>	<u>999,978</u>	<u>149,718</u>	<u>108,793</u>	<u>113,561</u>
9,211	0	0	117,142	0	0	(579)
<u>0</u>	<u>0</u>	<u>0</u>	<u>124,950</u>	<u>0</u>	<u>0</u>	<u>(3,273)</u>
\$ <u>9,211</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>242,092</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(3,852)</u>

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2009

Schedule 2

<u>Federal Indirect:</u>	<u>CFDA #</u>	<u>Total Expenditures</u>
<u>U.S. Department of Agriculture:</u>		
Rural Development Intermediary		
Re-lending Program	10.767	\$ 58,000
Rural Development Self Help		
Technical Assistance	10.767	105,766
 <u>U.S. Department of Commerce:</u>		
Economic Development Support for		
Planning Organizations	11.302	51,000
Technical Assistance Incubator Study	11.307	102,617
Economic Adjustment Assistance	11.302	4,150
 <u>U.S. Department of Transportation:</u>		
Non-urban Operating Assistance	20.509	188,814
Capital Investment Assistance	20.500	107,998
Highway Planning and Construction	20.205	149,731
Job Access/Reverse Commute	20.516	15,680
 <u>Environmental Protection Agency:</u>		
Brownfields Assessment and Cleanup		
Cooperative Agreements	66.818	112,982
 <u>Department of Homeland Security:</u>		
Homeland Security Grant Program	97.067	<u>1,400</u>
		 \$ <u>898,138</u>

Basis of Presentation: The Schedule of Expenditures of Federal Awards includes the federal grant activity of Southeast Iowa Regional Planning Commission is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

See accompanying Independent Auditor's Report.

John D. Morrow

Certified Public Accountant

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Certified Public Accountants

February 5, 2010

RTS CERTIFICATION BY INDEPENDENT AUDITOR

To the Board of Directors
Southeast Iowa Regional Planning Commission
Burlington, Iowa

I have audited the contracting opportunities and Disadvantaged Business Enterprise and Women Business Enterprise participation summary of Southeast Iowa Regional Planning Commission (Transit System). My audit of the report details included tests of accounting records, purchase orders, and contracts issued to Disadvantaged Business Enterprise and Women Business Enterprise firms as we considered necessary to verify that the information reported corresponds with the transit system's financial statements and other official documentation. It was not within the scope of my audit to make any assurances about the eligibility of any firm to be certified as a Disadvantage Business Enterprise or Women Business Enterprise, since the Iowa Department of Transportation assumes this responsibility. Tests were conducted to assure that this information fairly reflects the transit system's efforts to comply with Section 105(f) and Subpart D of the Surface Transportation Assistance Act of 1982.

The tests of accounting records and inquiries with management indicated that effort is made to identify Disadvantaged Business Enterprises and Women Business Enterprise. Management has procedures which identify current vendors as eligible to be certified as a Disadvantaged Business Enterprise and Women Business Enterprise.

John D. Morrow

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February 5, 2010

COMBINED INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Southeast Iowa Regional Planning Commission
Burlington, Iowa

I have audited the combined financial statements of Southeast Iowa Regional Planning Commission (SEIRPC), Burlington, Ia, as of and for the year ended June 30, 2009, and have issued my report thereon dated February 5, 2010. I conducted the audit in accordance with U. S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Southeast Iowa Regional Planning Commission's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing my opinion on the effectiveness of SEIRPC's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of SEIRPC's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect SEIRPC's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U. S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of the SEIRPC's financial statements that is more than inconsequential will not be prevented or detected by SEIRPC's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by SEIRPC's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. I noted no matters involving the internal control over financial reporting and its operation that I consider to be significant deficiencies or material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether SEIRPC's financial statements are free of material misstatement, I performed tests of SEIRPC's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about SEIRPC's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during my audit of the combined financial statements of SEIRPC. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

This report, a public record by law, is intended solely for the information and use of Southeast Iowa Regional Planning Commission and other parties to whom SEIRPC may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

I would like to acknowledge the many courtesies and assistance extended to me by the personnel of Southeast Iowa Regional Planning Commission during the course of the audit. Should you have any question concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.

John D. Morrow

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February 5, 2010

COMBINED INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Southeast Iowa Regional Planning Commission
Burlington, Iowa

I have audited the compliance of Southeast Iowa Regional Planning Commission (SEIRPC), Burlington, Ia, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. SEIRPC's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of SEIRPC's management. My responsibility is to express an opinion on SEIRPC's compliance based on my audit.

I conducted my audit of compliance in accordance with U. S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about SEIRPC's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on compliance with those requirements.

In my opinion Southeast Iowa Regional Planning Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009. Instances of non-compliance with those requirements, if any, are described in Part III of the accompanying Schedule of Findings and Questioned Costs

SEIRPC's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing my audit, I considered Southeast Iowa Regional Planning Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of SEIRPC's internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of SEIRPC's internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in SEIRPC's internal control that might be significant deficiencies or material weaknesses as defined below.

A control deficiency in SEIRPC's internal control over compliance exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect SEIRPC's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by SEIRPC's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by SEIRPC's internal control. I noted no matters involving the internal control over compliance and its operation that I consider to be significant deficiencies or material weaknesses

This report, a public record by law, is intended solely for the information and use of Southeast Iowa Regional Planning Commission and other parties to whom SEIRPC may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009

Part I: Summary of the Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No matters were reported
Reportable condition(s) identified	
not considered to be material weaknesses?	No matters were reported
Noncompliance material to	
financial statements noted?	No matters were reported

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No matters were reported
Reportable condition(s) identified	
not considered to be material weaknesses?	No matters were reported
Type of auditor's report issued on	
compliance for major programs:	Unqualified
Any audit findings disclosed that are	
required to be reported in accordance	
with Circular A-133. Section .510(a)?	No matters were reported
Identification of major programs:	None
Dollar threshold used to distinguish	
between Type A and Type B programs:	\$ 300,000
Auditee qualified as low risk.	

Part II: Findings relating to the financial statements which are required to be reported in accordance with Governmental Auditing Standards.

No matters were reported

Part III: Findings and questioned costs for Federal Awards which shall include audit findings as defined in OMB Circular A-133.

No matters were reported